

Social Responsibility in the **ACS** Group

4.1	Creation of Value	177
4.2	Commitment to Individuals	179
4.3	ACS and the Environment	182
4.4	ACS and Society	186





commitment



Car park of the Arts and Sciences City of Valencia

ACS Group develops infrastructures and provides services that improve the quality of life of millions of people. With a full awareness of this responsibility, the Group's approach to its relationship with the environment and with the stakeholders with whom it interacts is defined by its own corporate culture and by its action principles, which seek:

- To contribute to sustainable economic growth in the societies where the Group is present in an efficient and ethically responsible manner while continuously applying the values of quest for excellence and respect for human rights.
- To improve social well-being through the creation of fairly compensated, respectable employment while abiding by internationally recognized rights and labor rules.
- To respect the environment and culture through the application of the measures and techniques required.

- To communicate all our policies and activities in a rigorous, transparent way so that accurate, reliable and accessible information is available to all the agents related to our Group.

In this spirit, the ACS Group has prepared its first Social Responsibility Report, which reflects the relationships of ACS with the world around it and the initiatives carried out by the companies of the Group as well as by the ACS Foundation. The report details the Group's pursuit of the sustainable development of its activity through its search for value and its firm commitment to people, the environment and the society.

4.1

Creation of Value

Value for clients

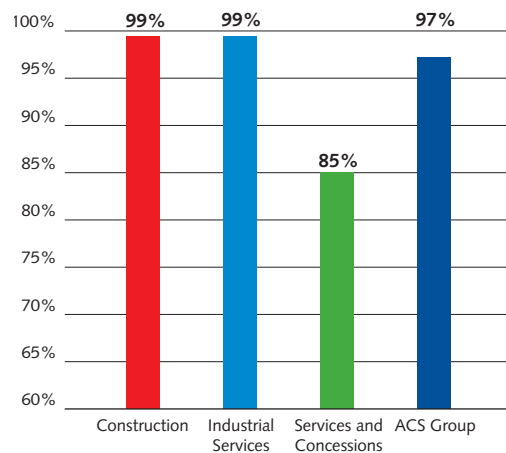
One of the main cultural values of the ACS Group, and therefore of its companies, is its clear client oriented focus and the meeting of their needs. To this end, it is necessary to comply with the most demanding quality standards while ensuring the ongoing commitment to innovation.

In fact, in 2004, 97% of the Group's production took place under quality control systems based on ISO 9001, certified by external organizations.

During 2004, the ACS Group continued working in a planned manner with its involvement in the fields of scientific research, development, technological innovation, and in the application of the results of these activities to the projects carried out. The annual investment in projects related to research and development amounted to over €29 million, and the Group targeted the improvement of technological and manufacturing capacity and the obtaining of new materials, products and services.

Additionally, the Group promotes the active presence of the technical staff of its companies in different forums backed by international and European organizations and institutions, in which applications are analyzed and sought for innovation or European legislation for each sector is developed.

Quality-certified production



Tunnelling machine, Figueras-Perpignan

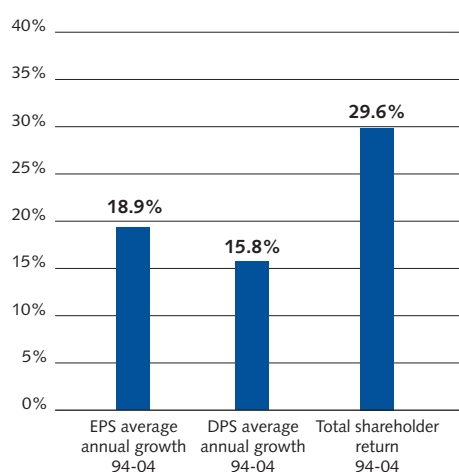
Shareholders' value

The ACS Group maintains an ongoing commitment to the consistent creation of value for shareholders, as seen in the fact that over the last 10 years the total return to the shareholder, which takes into account the revaluation of the share and the payment of dividends, amounts to a yearly average of 29.6%.

This confidence of the financial markets is the reflection of the Group's sound results, the strategic coherence of the corporate development and the firm desire to transparently and fairly report all information needed to evaluate the ACS corporate performance.

Hence, it comes as no surprise that the ACS Group has a broad shareholder base. As of mid-2004, the number of ACS shareholders amounted to over 47,500, consisting chiefly of retail shareholdings. Furthermore, the Group benefits from high liquidity due to its considerable amount of free-float, which amounts to 67.8% of total capital share.

Sustainable creation of value for shareholders



Breakdown of capital by number of shares	Shareholders	Shares	% capital	% Accumulated capital
Up to 600	30,248	7115,364	2.0%	2.0%
600 to 3,000	13,154	17,578,359	5.0%	7.0%
3,000 to 15,000	3,355	20,033,376	5.7%	12.7%
15,000 to 300,000	661	37,717,266	10.7%	23.4%
300,000 onward	94	270,428,769	76.6%	100.0%
Total	47,512		100%	

Source: Iberclear - May 2004. (Number of shares adjusted to the 3x1 Split of June 10, 2004 and the redemption of treasury stock)

Note: Banks in custody of funds of foreign institutional investors appear as a single shareholder as no breakdown is available on ACS shares in custody.

4.2

Commitment to Individuals

Employees

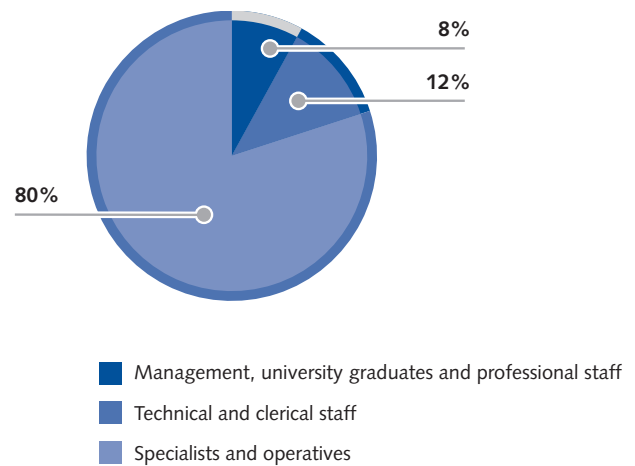
Last year, the ACS Group created a net figure of 10,636 jobs. Consequently, at year-end 2004, its number of employees rose to 107,748 people, which accounts for 0.7% of the working population in Spain. Of the Group's employees, 30% are women and the average employee age is 40.6 years old.

The Group's first commitment to its employees, due to the nature of their work, is to ensure their safety. To this end, the Group has always dedicated a considerable amount of resources to initiatives involving job safety. Last year, the Group provided employees with nearly 3,000 general and specific training courses on safety at work in all its business areas.

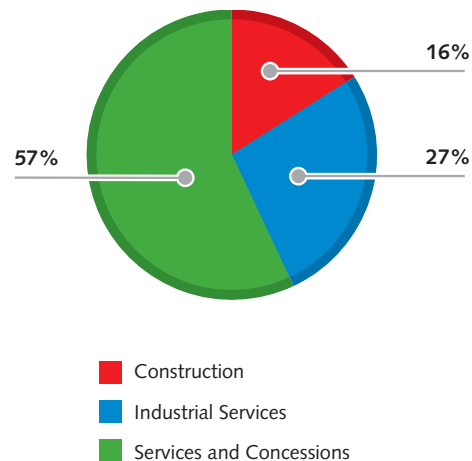


Maintenance of railway electrical grid

Employees by qualification



Employees by area



As a result of this determined initiative, the companies of the ACS Group register far fewer accidents references index levels than the average of the sector and efforts are being made to further reduce this number.

Accidents references index in 2004	Construction	Industrial Services	Services and Concessions	ACS Group	Construction sector average
Degree of frequency ⁽¹⁾	35.5	40.0	62.0	49.7	97.4
Degree of severity ⁽²⁾	1.04	0.81	1.12	1.00	2.2
Degree of incidence ⁽³⁾	62.0	72.0	111.6	88.9	173.1

⁽¹⁾ Represents the number of accidents occurring on the job per million of hours worked.

⁽²⁾ Represents the number of working days missed due to accidents per 1,000 of hours worked.

⁽³⁾ Represents the number of accidents resulting in medical leave per 1,000 of hours worked divided by the average employees.



Line H of the Buenos Aires subway (Argentina)

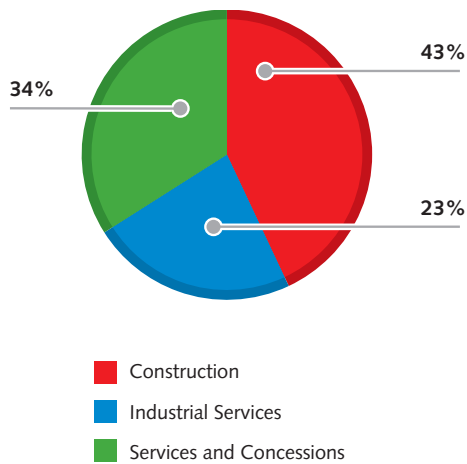
Suppliers

Due to the nature of its business, the ACS Group must ensure that its suppliers are highly competent and capable. Hence, the Group seeks to establish with them a firm and lasting commitment and a relationship based on mutual trust and respect that results in completion of projects with the high standards of quality and satisfaction demanded by clients.

Due to this mutual trust and the accomplishment of these objectives, the ACS Group is considered one of the most reliable and professional organizations in the sector. This distinction is the result of the Group's proven ability to quickly and efficiently arrange and organize all internal and external resources needed to take on any kind of project.

Of the funds managed by the ACS Group in 2004, €7.644 billion correspond to its suppliers and subcontractors, of which there are over 45,000.

Suppliers



The involvement of our suppliers in the Group's policies and lines of action is of capital importance, not only limited to quality control, but including all aspects of social and environmental commitment as well as safety and prevention at work. In this light, ACS Group has incorporated environmental criteria to the process of evaluation and selection of its collaborators, and specifies in its contracts the supplier's obligations in this sense.

Regarding safety and prevention at work, the Group provides training to the employees of its suppliers and auxiliary companies and enforces and supervises the compliance of these companies with legislation regulating safety at work and incorporation of in-house programs.



Tunnel in Niévares (Asturias)

4.3

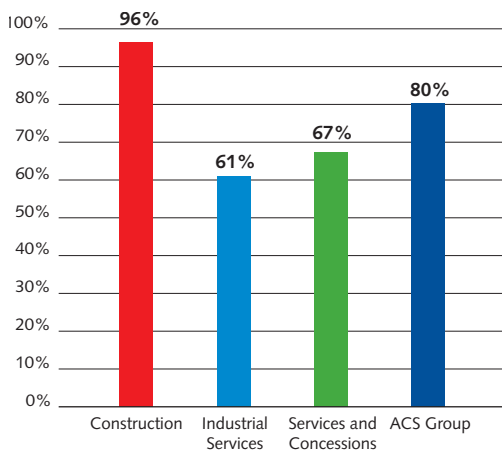
ACS and the Environment

Respect for and conservation of the environment is fundamental to the approach of the ACS Group. In order to monitor its performance, a rigorous environmental policy has been established, being known, shared and practiced by all the companies of the Group.

This policy of safeguarding and respecting the environment has been incorporated to the systems and programs of environmental management of each company, which are designed to correct any possible impact that could occur in each activity and to ensure the most efficient possible use of natural resources.

Among these action criteria, it is worth noting that 80% of the Group's total current production involves environmentally certified companies in accordance with the ISO 14001 international standards requirements.

Environmentally certified production



Outstanding actions in 2004

Construction

- Continuation of the campaign of environmental awareness for our main collaborators. Specifically, 9 meetings on awareness were held with 99 collaborators on activities that may be associated with higher environmental impacts.
- Elaboration of a manual on sound environmental practice in order to increase awareness of environmental issues for own employees and those of its auxiliary companies. Additionally, other sources of information were also prepared in order to complete the environmental awareness of employees, as the release of an information bulletin available through the corporate intranet.
- Campaign of recycling the construction and demolition wastes and reutilization of land, accompanied by the establishment of associated environmental management indicators.

Industrial Services

- Certification of the environmental management system for MAESSA in the maintenance and installation of thermal power plants and in the naval industry.
- Implantation and certification of environmental management systems in CME (Portugal), ETRA, and in the Mexican subsidiaries of CYMI, in accordance with the ISO 14001 international standards.
- Initial stage of introduction of an environmental indicator in projects to measure the contribution of companies to environmental issues in the process of project design.
- Development of solutions to improve the visual impact of wireless telephony antennas.

- Implantation of the selective waste collection system in Intecsa-Uhde.
- Development of the contingency plan for accidental marine contamination in Dragados Offshore, submitted for approval to the port authority.
- Design and construction of 6 new workshops for spraying and painting in the Cadiz plant of Dragados Offshore to reduce the contamination generated by these open-air activities.

Services and Concessions

- Participation in the project EFFECTIVE to promote making full use of biogas in melted carbonate fuel cells.
- Development of the VILEDADA project in hospital sanitation, introducing new products to achieve higher standards of quality, longer useful-life cycles of

products, significant reduction in water consumption and in generation of hazardous waste.

- Creation of a waste treatment plant in the port of Valencia enabling the collection, evaluation and management of waste generated by port installations for subsequent transport to appropriate treatment centers.
- Study on hydrology and quality of water for the port of Valencia to determine the impact of port activities on the marine ecosystem.
- Implantation and certification of environmental management system in Continental Auto, in accordance with UNE-EN-ISO 14001/2004 standards.
- Implantation and certification of environmental management system in Autoterminal, in accordance with EU regulation 1836/93/EMAS (Eco-Management and Auditing Scheme).



Landscape regeneration of the banks of the river Guadalmina

Promotion of renewable energies

The ACS Group backs sustainable development through the promotion and operation of sources of generation of renewable energies.

In 2004, EYRA, the subsidiary company specialized in the construction and operation of wind farms, had in operation 10 wind farms that generated over 527 GWh, which prevented from releasing into the atmosphere nearly half a million tons of CO₂.

Year	Installed Power (MW)	Electricity Produced (GWh/per year)	Reduction of CO ₂ (1,000 tons per year)
1999	29.85	49	46
2000	97.65	172	161
2001	97.65	259	242
2002	179.5	371	348
2003	181.17	406	381
2004	266.86	527	494



Wind farm in Monte da Serra (A Coruña)

Additionally, the Group is promoting through Urbaser the recovery of energy in its urban waste treatment and recycling plants, where it has 80 MW of installed power that generated over 109 GWh in 2004, year in which the operation of these plants prevented the release into the atmosphere of greenhouse gases equivalent to three million tons of CO₂.

Innovation, research and development in environment

The Group's policy on innovation and research and development in its projects to reduce environmental impact is chiefly directed at the optimization of resources used in the different activities. These policies were mainly applied to the increase of productivity through

technification and prefabrication and to the research and development of technology aimed at reducing the environmental impact of the Group's activities. In the latter matter, the following projects deserve special mention:

- Microfiltration and ultrafiltration technologies in the reutilization of outflows of urban sewage treatment plants.
- Antennea project for the reduction of the radioelectric impact through intelligent antennas for wireless telephony networks.
- Protection from electrocution for birds in protected parks.
- Use of the biogas in melted carbonate fuel cells.
- Elimination of heavy metals in the process of composting the urban solid waste.



Incinerator in Cantabria

4.4

ACS and Society

The ACS Group promotes and supports directly through its companies and the ACS Foundation specific projects associated to the improvement of the living conditions of individuals.

Social Initiatives

During last year, different companies of the ACS Group carried out social projects, mainly in the area of employment access. Agreements were maintained with different organizations regarding the incorporation of the handicapped, immigrants and individuals facing challenges in the reentry of the labor market.



Rehabilitation of the Episcopal Palace of Murcia

The ACS Foundation, which dedicated over €2 million to its activities last year, continued with its campaign to heighten awareness of improving accessibility and the elimination of physical and architectural barriers for the handicapped. To this end, the Foundation granted awards for the best solutions carried out by municipal governments in the elimination of physical and architectural barriers for the handicapped.

The Group also collaborates with and mutually supports a wide range of private and official organizations and institutions, developing different programs associated with the accessibility and integration of the handicapped in society, the environment or educational activities.

Educational and cultural promotion

The companies of the Group play an important role in social actions, with significant involvement in the educational sector. In 2004, through agreements of collaboration held with over 50 educational institutions, nearly 200 grants were awarded to Spanish and foreign students.

The ACS Foundation, whose activities include the promotion, conservation and restoration of Spanish historical and art heritage, participates in different projects established to contribute to the enrichment of culture. The Foundation's initiatives in 2004 included the publication of books on construction, rehabilitation and general civil works, as well as the sponsorship of cultural and educational activities.

Studies and research promotion

The Group's activity in research and innovation is backed by its wide collaboration with academic and research entities, the result of which are many of the research projects in progress in recent years. In this context, the following deserve special mention:

- School of Industrial Engineering of the Carlos III University of Madrid.
- School of Industrial Engineering of the University of Valladolid.
- Schools of Civil Engineering of Madrid, Santander, Valencia, Barcelona, La Coruña and Ciudad Real.
- Arquitectural schools of the universities of Madrid and Seville.
- Laboratories of Centro de Estudios y Experimentación (CEDEX).
- Instituto Eduardo Torroja of the Consejo Superior de Investigaciones Científicas (CSIC).
- Centro de Automatización, Robótica y Tecnologías de la Información y de la Fabricación (CARTIF) of the University of Valladolid.
- Center of the technological network of the autonomous government of the Basque Country (EUVE).
- Collaboration with the CIEMAT and the Autónoma University of Madrid in a project for the use of the biofuel B-100 at actual scale.

Additionally, the ACS Group maintains its active presence in different scientific and technical forums such as the normalization committees of AENOR, the Spanish Organization for Quality and the European Organization for Research in the Construction Companies.

Communication with stakeholders

The policy of external communication of the ACS Group involves criteria of transparent reporting, which is one of the corporate strategic objectives. This transparency respects the interests of our clients and the rest of the company's social representatives, particularly media dedicated to social awareness.

The ACS Group's policy on communication seeks to achieve the following objectives:

- Projection of the current situation of the companies of the ACS Group.
- Promotion of the image of the Group in order to assist its commercial activity.
- Coherent reporting of corporate strategy and the specific strategies of each business line.
- Maintenance of a fluent relationship with external agents, particularly with media representatives.

Insofar as the relationship with the media, the ACS Group remains closely associated with representatives and maintains several channels of communication for the fluent reporting of corporate information.

In 2004, compliance with the codes of conduct of the ACS Group and the monitoring of its value corporate guidelines were favorably evaluated by the media, highlighting that ACS was ranked one of the five most respected and valued Spanish companies worldwide, according to a survey conducted by PriceWaterhouseCoopers (PWC) and Financial Times.